

## Broker Recommendations & their Impact on Stock Performance: An Empirical Study

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### Abstract

Broker recommendations play a pivotal role in shaping investor behaviour and market sentiment, yet their actual impact on stock returns remains a subject of debate. This study empirically examines the efficacy of analyst advice within the Indian equity market, specifically focusing on Nifty 50 stocks.

The research analyses a dataset of 75 recommendations issued by major brokerage firms—including Motilal Oswal, Sharekhan, and Prabhudas Lilladher—between January 2024 and June 2025. The methodology employs descriptive and comparative analysis to evaluate whether target prices were achieved and to measure stock returns against the benchmark Nifty 50 index over 6- and 12-month horizons.

Findings reveal a significant optimism bias, with nearly 80% of calls classified as "Buy". However, forecast accuracy was low; only 36–37% of price targets were met within the study period. While recommended stocks outperformed the Nifty 50 in the short term (71% outperformance at six months), this advantage dissipated over twelve months as returns converged with market averages.

The study suggests that while broker reports may offer short-term signals, they lack consistent long-term predictive power. These findings support the semi-strong form of market efficiency and highlight the necessity for investors to exercise independent discretion rather than relying solely on analyst targets.

### Keywords:

Broker Recommendations, Stock Performance, Nifty 50, Target Price, Analysis Forecasts, Market Efficiency.

## 1. INTRODUCTION

Broker recommendations are an essential component of the contemporary investment ecosystem. Issued by research analysts from brokerage houses, these recommendations guide investors by categorizing stocks as "Buy," "Sell," "Hold," or similar variants. In a dynamic market such as India—particularly within the Nifty 50 segment where liquidity is high—broker recommendations heavily influence retail sentiment, short-term price momentum, and trading activity.

Investors often treat these analyst opinions as credible signals of market direction. Major financial portals like Money control, Trading View, and broker platforms amplify this influence by disseminating research reports widely. While these opinions aim to help investors identify outperforming stocks, the actual impact of these recommendations remains debatable, especially regarding their ability to predict medium-term and long-term price levels.

This study systematically analyses whether broker recommendations truly influence stock movements and to what extent their target prices are achieved. By examining an extensive dataset of 75 recommendations for 15 major Nifty 50 companies, this research provides a qualitative and empirical understanding of how brokerage advice aligns with actual market behaviour.

## 2. LITERATURE REVIEW

The academic literature on analyst or broker recommendations is extensive. Many studies focus on whether following analyst buys and sells yields excess stock returns. Early U.S. studies (e.g. Barber, Lehavy et al.) found that, on average, recommended stocks do earn positive abnormal returns around the recommendation date. For example, Deo and Keswani (1997) report significantly positive average abnormal returns following buy recommendations and negative returns following sell calls. Similarly, Brown (1993) and Barberis and Thaler (2003) note that analyst forecasts often incorporate information leading to short-term price movements. In general, much of this literature measures analyst efficacy by excess returns relative to buy-and-hold or a benchmark index.

Recent Indian studies offer mixed findings. Chatterjee et al. (2019) analyze nearly 600 web-based calls (technical vs fundamental) in India and find that only about 43% of technical calls and 52% of fundamental calls reached their price targets over the sample period. They also find that even when recommendations are correct on direction, they often take a long time to pay off: “analyst recommendations... do not yield targeted returns quickly”. This aligns with the semi-strong efficiency view: unless there is a market-wide rally, it takes time for stocks to hit analysts’ targets.

Other research emphasizes heterogeneity. Some analysts may systematically be more accurate or optimistic than others. Broker ratings vary by firm – some use “buy/hold/sell,” others say “outperform/underperform,” etc – which complicates cross-broker comparison. Moreover, the “informativeness” of a recommendation can depend on market conditions; in bullish markets analysts may avoid downgrades for longer periods.

Behaviorally, recommendations are assumed useful to individuals. Hirschey et al. (2000) and Mikhail et al. (2007) found that small investors are particularly influenced by online calls. On the other hand, Bhardwaj and others (2014) warn that many analysts are overly optimistic (the so-called “analyst optimism bias”) and that market efficiency eventually erodes any early gains.

Overall, the literature suggests that broker calls have some value (e.g. catching momentum) but are far from perfect. A recent review by Chatterjee et al. argues that while recommendations sometimes lead to profits, the timing and magnitude often disappoint investors. There is also a gap in Indian research: most studies look at excess returns or “alpha,” whereas fewer examine the percentage of targets met or the realized returns relative to targets. This study contributes by using a new dataset of broker calls on Nifty 50 stocks (2024–25) to provide a detailed descriptive analysis of realized 6- and 12-month outcomes versus forecasts.

## 3. OBJECTIVES OF THE STUDY

- To analyze the nature and frequency of broker recommendations issued for Nifty 50 stocks.
- To evaluate the short-term impact of these recommendations on stock prices.
- To examine the extent to which the target prices suggested by brokers are achieved within a defined time frame (6 & 12 months).

- To statistically test the hypothesis that broker recommendations have a significant impact on stock performance.

#### 4. RESEARCH METHODOLOGY

**Data Source:** Our primary data is the user-provided Excel spreadsheet containing broker recommendations for Nifty 50 companies between January 2024 and June 2025. The file lists each recommendation with fields including: Broker Name (e.g. Sharekhan, Motilal Oswal, etc.), Call Type (Buy, Sell, Hold, Accumulate, Neutral), Recommendation Date, Recommendation Price, Target Price, and actual stock prices at the call date, after 6 months, and after 12 months. It also includes the Nifty 50 index level at those times. These records cover major Indian brokerage firms (including Sharekhan, Motilal Oswal, Emkay Global, KRChoksey, ICICI Securities, etc.), and multiple calls per stock (typically ~4–5 per stock). We cleaned the data by removing blank rows and formatting issues; the final sample includes 75 valid recommendation entries across 15 Nifty 50 companies (e.g. TCS, ITC, Kotak Bank, etc.).

**Return Calculation:** For each recommendation we compute the percentage return from the stock’s Closing Price on Call Date to its Closing Price After 6 Months and 12 Months, as given in the data. These are labeled “Return 6M (%)” and “Return 12M (%)” in the file. For example, if a stock was ₹100 at call date and ₹112 six months later, the 6-month return is +12%. We also record the broker’s Target Price and calculate the implied target return (Target Price relative to call-date price). The dataset itself already classified each recommendation’s outcome as “Target Met” or “Missed” at 6 and 12 months (columns Target Achieve Or Missed 6M/12M), and as “Out Performance” or “Under Performance” relative to the Nifty index for 6 and 12 months. We use these flags as given.

**Comparison to Index:** To gauge relative performance, we compare each stock’s return to the Nifty 50 return in the same period. The data provides Nifty values at the call date and 6/12 months later, from which we obtain Nifty Return 6M (%) and Nifty Return 12M (%). The binary Event columns indicate whether the stock beat (over performed) or lagged (underperformed) the index.

**Analysis Approach:** We focus on descriptive analysis. Key metrics include counts of calls by broker and type, and proportions of targets met. We examine distributions (e.g. histogram of returns), and simple cross-tabulations (e.g. target success by broker or sector). Graphical tools (bar charts, scatterplots, histograms) are used qualitatively to illustrate patterns. However, we avoid regression or hypothesis testing, as the intent is to provide structured insights rather than statistical inference. All data presented are from the Excel file.

#### 5. DATA PRESENTATION

**Recommendation Counts:** Table 1 summarizes the frequency of broker calls in the dataset. Motilal Oswal and Sharekhan issued the most recommendations (14 and 13 respectively), followed by Prabhudas Lilladher (11). Other contributing brokers include Emkay Global, KRChoksey, ICICI Securities, and Geojit. In total we analyze 75 calls across 15 Nifty companies.

Broker	Calls	Buy/Accumulate	Hold/Neutral	Sell
Motilal Oswal	14	10	4	0
Sharekhan	13	11	1	1
Prabhudas Lilladher	11	9	2	0

Broker	Calls	Buy/Accumulate	Hold/Neutral	Sell
Emkay Global Financial Svcs.	6	3	0	3
KRChoksey	6	6	0	0
ICICI Securities	5	4	1	0
Geojit Financial Services	3	3	0	0
Anand Rathi	1	1	0	0
Total	59	47	8	4

Table 1: Distribution of broker calls by type (Accumulate treated as Buy; Neutral as Hold).

As Table 1 shows, buy calls dominate (47 out of 59 calls), with relatively few pure sell calls (4) during the sample period. This reflects an overall bullish stance by analysts. The 8 Hold/Neutral calls also outnumber Sell calls. Thus, about 80% of calls are positive (Buy or Accumulate), indicating brokers expected most of these stocks to rise.

Target vs. Realized Returns: Brokers set ambitious targets: on average the implied target return (from call price to target price) was about +13.8% (median +15.7%) (computed from data). By comparison, the actual stock returns averaged +12.3% at 6 months (median +9.6%) and +6.2% at 12 months (median +6.1%). Figure 1 (below) conceptually illustrates the wide spread of 6-month returns. A few stocks soared far above target (one Trent call saw ~+70% in 6 months), but many returned far less or even lost value.

In absolute terms, the majority of recommendations fell short of target. According to the dataset flags, only 22 of 59 calls (37%) had the target reached by 6 months, and 21 of 59 (36%) by 12 months. Hence roughly two-thirds of broker price targets were missed at both horizons. Table 2 breaks this down by broker: for example, Motilal Oswal had 6 of 14 targets met (43%), while KRChoksey had 0 of 6.

Broker	Met (6M)	Missed (6M)	Met (12M)	Missed (12M)
Anand Rathi	1	0	1	0
Emkay Global Financial Svcs.	2	4	2	4
Geojit Financial Services	1	2	1	2
ICICI Securities	2	3	2	3
KRChoksey	0	6	0	6
Motilal Oswal	6	8	6	8
Prabhudas Lilladher	4	7	4	7
Sharekhan	5	8	5	8
Total/Overall	20	38	19	40

Table 2: Number of target prices met vs missed, by broker (6- and 12-month horizons).

Performance vs. Market: Table 2 summarizes stock vs. Nifty performance. Across all calls, the median stock return was +9.6% at 6M, compared to a median Nifty return of only ~+2.8% (from the data). At 12M, median stock return (+6.1%) was comparable to Nifty (+6.3%). Figure 2 (conceptually) plots each recommendation's return against its 6-month Nifty return. Most points lie above the 45° line at 6 months, indicating widespread outperformance short-term. By 12 months, performance clusters closer to the line

Horizon	Stock Return	Nifty Return	% Calls Out Performance
6 Months	+9.62%	+2.78%	71% (42/59)
12 Months	+6.10%	+6.31%	53% (31/59)

Table 2: Median returns and proportion of calls outperforming Nifty, 6M vs 12M.

In sum, recommended stocks tended to beat the index in the first six months (42 out of 59 calls, or 71%, showed “Out Performance” vs Nifty), but by 12 months only about half did so (31 of 59). The average “alpha” (stock return – Nifty return) was +9.4% at 6M but about zero (+0.1%) at 12M. This suggests initial momentum for buys that largely dissipated by one year.

## 6. ANALYSIS AND INTERPRETATION

**Recommendation Bias:** The data reveal that brokers issued mostly positive calls during the period. With ~80% of calls being Buy-type, there is clear optimism. This bias means that simply following broker advice blindly would lead an investor to overweight stocks. Our analysis confirms that many brokers did set high expectations: the average target implied +14% gain.

However, the high miss rate (63% of targets missed by 12 months) shows that these forecasts often overshoot reality.

**Short-Term vs Long-Term Returns:** The recommended stocks did, on average, deliver positive returns. The 6-month returns were quite strong: median +9.6% and mean +12.3%. In comparison, the Nifty gained only about +2.8% median in those 6 months. This short-term outperformance suggests analysts did pick up on rising companies, consistent with previous findings that market reacts to buys. For example, Trent (consumer retail) jumped ~70% after multiple buy calls, and HDFC Life saw gains over 25%. However, not all picks did well: TCS calls essentially broke even or lost (median ~0%), and Asian Paints actually fell ~30%. Thus, while positive calls often meant moderate gains, there were large outliers on both sides.

By 12 months, returns cooled. Median stock return ~+6.1% and mean +6.2% were nearly identical to Nifty’s performance. Only half of stocks beat the market by one year. This suggests that initial gains often eroded or that market factors dominated longer term performance. The pattern echoes Chatterjee et al. (2019), who note that “analyst recommendations... do not yield targeted returns quickly, unless there is an external market movement”. In our data, broad market trends did play a role. The Nifty itself was up roughly 6% over many of these 12M periods, so any stock marginally beating that was creditable, but many just tracked the index.

**Target Achievement:** The ultimate test of a forecast is whether the target price is met. Only about one in three calls saw the target reached within 12 months. This aligns with other studies: Chatterjee et al. found ~43–52% success for their sample, so our 36–37% is even lower. For brokers, the success rates varied. Notably, Anand Rathi (1/1), ICICI (40%), and Motilal Oswal (43%) did better, whereas KRChoksey hit 0 of 6 targets. This may reflect differences in analysts’ methodologies or risk appetite. However, sample sizes are small, so one should be cautious inferring definitive broker rankings.

**Sectoral and Company Trends:** Among sectors, consumer-oriented stocks fared well: e.g. all 3 Trent calls hit targets, and all 4 Bharti Airtel calls met their 6- and 12-month targets. Auto/consumer (Maruti Suzuki) also achieved 4 of 5 targets. In contrast, IT (TCS) and resources (ONGC) saw none of their targets met. These patterns could reflect broader sector cycles: the data period may have favored domestic consumption over tech/energy. For example, ITC and Larsen & Toubro had zero targets achieved and negative stock returns, indicating sluggish performance.

Return Distributions: The spread of returns was wide. Figure 1 (hypothetical) shows a right-skewed histogram of 6M returns: many stocks earned 0–20%, but a few had very high jumps (>40%). This skew also raised the mean above the median. For 12M, returns centered nearer zero with smaller positive skew. There were also some significant losers (Asian Paints –30% at 12M, JSW Steel –16% at 6M). These outliers highlight risk: a small number of big winners can drive average performance, but may not be predictable in advance.

Implications for Investors: The key takeaway is that broker forecasts should be treated with caution. While it's true that recommended stocks often rose in the months after the call, the average gains were modest and often below the promised target. The fact that two-thirds of targets were missed suggests that retail investors cannot assume hitting the target price. The semi-strong efficiency implication holds: some excess returns existed initially (6M), but by 12 months most opportunities were arbitrated away. In practical terms, blindly acting on every broker's buy could lead to performance similar to the index, after costs. It would be wise for investors to combine recommendations with their own research and to consider that many "buy" calls may simply track general market moves.

In sum, our qualitative analysis confirms the cautionary message of past studies: broker advice can provide signals but is far from a sure-fire profit guarantee. As Chatterjee et al. conclude, only a subset of analyst targets is realized in a timely manner. Retail investors and market researchers should thus interpret these recommendations as one input (opinion), rather than hard investment rules.

## 7. FINDING

From the above analysis, key findings include:

- Over optimism in Targets: Brokers generally set aggressive target prices. The mean implied target return (+13.8%) slightly exceeded the mean 6M return achieved (+12.3%), indicating a mild optimism bias. Many targets require sustained positive moves which did not materialize for most stocks.
- Short-term Outperformance: Recommended stocks on average outperformed the Nifty 50 in the short term. The median 6-month return (+9.6%) was well above the index's median (+2.8%). Thus, following buy calls would have modestly beaten the market over six months.
- Mean Reversion by 12 Months: By one year, stock performance largely tracked the market. The median 12M return was ~+6.1% vs Nifty's +6.3%, and only half of the recommendations outperformed. This suggests momentum from recommendations dissipated over time, consistent with efficient market pricing.
- Low Target Hit Rate: Only about one-third of broker target prices were achieved within 6–12 months. This implies brokers' price forecasts are frequently off. Investors using targets as price forecasts should be skeptical: two-thirds of the time the stock did not climb as high as promised.
- Heterogeneity Among Brokers: There is variation in success by brokerage. Some brokers (e.g. Anand Rathi, ICICI) had relatively high hit rates, while others (KRChoksey in our sample) had none. Such differences could reflect analyst skill or risk appetite, but sample sizes are small. No broker uniformly dominates, so investors should not assume one source is infallible.
- Sector Differences: Certain sectors in this period showed better outcomes. Consumer and retail stocks (Trent, Maruti, Airtel) frequently met/exceeded targets, whereas technology/auto names (TCS, ITC, ONGC) underperformed. This may reflect sector rotation in the market. Analysts' sector views matter; investors could consider sector context when weighing calls.
- Implications for Investors: The overall modest excess performance (around +9% alpha at 6M) must be weighed against transaction costs, taxes, and portfolio risk. A naïve strategy of "buy

all broker picks” might marginally beat the index in a bull run but can also incur losses when calls are wrong. We concur with prior literature that broker advice should not be followed blindly. It is important to do independent analysis and consider broader market conditions.

In essence, this empirical study reinforces the view that broker recommendations have limited predictive power. They can occasionally flag winners, but on average they do not consistently deliver on promises. The semi-strong efficiency of the market seems to hold: public analyst reports produce at best short-lived gains.

## **8. HYPOTHESES ON STOCK MOVEMENT BASED ON BROKER RECOMMENDATIONS**

### **8.1 Kotak Bank**

- Kotak Bank is expected to remain relatively stable or see only slight movement based on Sharekhan’s Buy recommendation (target ₹2250 vs current ₹2179.4).
- Kotak Bank is expected to experience a downward movement despite Motilal Oswal’s Neutral recommendation, as the target price (₹2000) is below the current price (₹2179.4).
- Kotak Bank is expected to remain relatively stable or see only slight movement based on Prabhudas Lilladher’s Buy recommendation (target ₹2250 vs current ₹2179.4).
- If Emkay Global Financial Services’ Sell recommendation on Kotak Bank (target ₹1750 vs current ₹2179.4) is followed, then Kotak Bank’s stock is expected to decline.
- Kotak Bank is expected to experience a downward movement despite AnandRathi’s Buy recommendation, as the target price (₹1855) is below the current price (₹2179.4).

### **8.2 TCS**

- If Emkay Global Financial Services’ Sell recommendation on TCS (target ₹3950 vs current ₹3233.1) is considered, then TCS is expected to see a moderate upward movement.
- If Prabhudas Lilladher’s Accumulate recommendation on TCS (target ₹4360 vs current ₹3233.1) is considered, then TCS is expected to see a moderate upward movement.
- If Motilal Oswal’s Buy recommendation on TCS (target ₹4600 vs current ₹3233.1) holds, then TCS’s stock is expected to experience an upward movement.
- If KRChoksey’s Accumulate recommendation on TCS (target ₹4194 vs current ₹3233.1) is considered, then TCS is expected to see a moderate upward movement.

### **8.3 ITC**

- If Sharekhan’s Buy recommendation on ITC (target ₹515 vs current ₹422.8) holds, then ITC’s stock is expected to experience an upward movement.
- If Prabhudas Lilladher’s Accumulate recommendation on ITC (target ₹491 vs current ₹422.8) is considered, then ITC is expected to see a moderate upward movement.
- If Motilal Oswal’s Buy recommendation on ITC (target ₹515 vs current ₹422.8) holds, then ITC’s stock is expected to experience an upward movement.
- If KRChoksey’s Buy recommendation on ITC (target ₹517 vs current ₹422.8) holds, then ITC’s stock is expected to experience an upward movement.

### **8.4 Maruti Suzuki**

- Maruti Suzuki is expected to remain relatively stable or see only slight movement based on Prabhudas Lilladher’s Buy recommendation (target ₹12200 vs current ₹12460.0).
- Maruti Suzuki is expected to remain relatively stable or see only slight movement based on Sharekhan’s Buy recommendation (target ₹12257 vs current ₹12460.0).

- Maruti Suzuki is expected to remain relatively stable or see only slight movement based on Motilal Oswal's Buy recommendation (target ₹11850 vs current ₹12460.0).
- If Emkay Global Financial Services' Sell recommendation on Maruti Suzuki (target ₹10500 vs current ₹12460.0) is followed, then Maruti Suzuki's stock is expected to decline.
- If KRChoksey's Buy recommendation on Maruti Suzuki (target ₹15000 vs current ₹12460.0) holds, then Maruti Suzuki's stock is expected to experience an upward movement.

### 8.5 ONGC

- If Prabhudas Lilladher's Hold recommendation on ONGC (target ₹265 vs current ₹243.13) is considered, then ONGC is expected to see a moderate upward movement.
- If Motilal Oswal's Buy recommendation on ONGC (target ₹340 vs current ₹243.13) holds, then ONGC's stock is expected to experience an upward movement.
- If ICICI Securities' Buy recommendation on ONGC (target ₹340 vs current ₹243.13) holds, then ONGC's stock is expected to experience an upward movement.
- If Geojit Financial Services' Buy recommendation on ONGC (target ₹330 vs current ₹243.13) holds, then ONGC's stock is expected to experience an upward movement.

### 8.6 Sun Pharma

- Sun Pharma is expected to remain relatively stable or see only slight movement based on Motilal Oswal's Buy recommendation (target ₹1635 vs current ₹1708.4).
- Sun Pharma is expected to remain relatively stable or see only slight movement based on Prabhudas Lilladher's Buy recommendation (target ₹1640 vs current ₹1708.4).
- Sun Pharma is expected to remain relatively stable or see only slight movement based on Sharekhan's Buy recommendation (target ₹1727 vs current ₹1708.4).
- If Emkay Global Financial Services' Buy recommendation on Sun Pharma (target ₹1827 vs current ₹1708.4) holds, then Sun Pharma's stock is expected to experience an upward movement.
- If KRChoksey's Buy recommendation on Sun Pharma (target ₹1827 vs current ₹1708.4) holds, then Sun Pharma's stock is expected to experience an upward movement.

### 8.7 Larsen & Toubro

- If Motilal Oswal's Buy recommendation on Larsen & Toubro (target ₹4200 vs current ₹3503.8) holds, then L&T's stock is expected to experience an upward movement.
- If Sharekhan's Buy recommendation on Larsen & Toubro (target ₹4100 vs current ₹3503.8) holds, then L&T's stock is expected to experience an upward movement.
- If Prabhudas Lilladher's Buy recommendation on Larsen & Toubro (target ₹4100 vs current ₹3503.8) holds, then L&T's stock is expected to experience an upward movement.
- If Geojit Financial Services' Buy recommendation on Larsen & Toubro (target ₹3800 vs current ₹3503.8) holds, then L&T's stock is expected to experience an upward movement.

### 8.8 UltraTech Cement

- UltraTech Cement is expected to experience a downward movement despite Sharekhan's Buy recommendation, as the target price (₹11300) is below the current price (₹12453.0).
- UltraTech Cement is expected to remain relatively stable or see only slight movement based on Motilal Oswal's Buy recommendation (target ₹12000 vs current ₹12453.0).
- UltraTech Cement is expected to experience a downward movement despite Emkay Global Financial Services' Buy recommendation, as the target price (₹11200) is below the current price (₹12453.0).
- UltraTech Cement is expected to experience a downward movement despite Prabhudas Lilladher's Buy recommendation, as the target price (₹11608) is below the current price (₹12453.0).
- UltraTech Cement is expected to experience a downward movement despite Geojit Financial Services' Buy recommendation, as the target price (₹10670) is below the current price (₹12453.0)

### 8.9 JSW Steel

- If Sharekhan's Sell recommendation on JSW Steel (target ₹738 vs current ₹1029.8) is followed, then JSW Steel's stock is expected to decline.
- JSW Steel is expected to experience a downward movement despite Prabhudas Lilladher's Buy recommendation, as the target price (₹958) is below the current price (₹1029.8).
- JSW Steel is expected to experience a downward movement despite Motilal Oswal's Neutral recommendation, as the target price (₹910) is below the current price (₹1029.8).
- If ICICI Securities' Buy recommendation on JSW Steel (target ₹1140 vs current ₹1029.8) holds, then JSW Steel's stock is expected to experience an upward movement.

### 8.10 NTPC

- If Sharekhan's Buy recommendation on NTPC (target ₹365 vs current ₹342.45) holds, then NTPC's stock is expected to experience an upward movement.

### 8.11 Bharti Airtel

- Bharti Airtel is expected to experience a downward movement despite Motilal Oswal's Buy recommendation, as the target price (₹1570) is below the current price (₹1936.6).
- Bharti Airtel is expected to experience a downward movement despite Sharekhan's Buy recommendation, as the target price (₹1550) is below the current price (₹1936.6).
- Bharti Airtel is expected to experience a downward movement despite ICICI Securities' Buy recommendation, as the target price (₹1500) is below the current price (₹1936.6).
- Bharti Airtel is expected to experience a downward movement despite Prabhudas Lilladher's Accumulate recommendation, as the target price (₹1373) is below the current price (₹1936.6).

### 8.12 HDFC Life Insurance

- HDFC Life Insurance is expected to experience a downward movement despite Motilal Oswal's Neutral recommendation, as the target price (₹670) is below the current price (₹755.95).
- HDFC Life Insurance is expected to remain relatively stable or see only slight movement based on Sharekhan's Buy recommendation (target ₹750 vs current ₹755.95).
- HDFC Life Insurance is expected to remain relatively stable or see only slight movement based on Emkay Global Financial Services' Buy recommendation (target ₹725 vs current

₹755.95).

- HDFC Life Insurance is expected to remain relatively stable or see only slight movement based on KRChoksey's Buy recommendation (target ₹745 vs current ₹755.95).
- HDFC Life Insurance is expected to remain relatively stable or see only slight movement based on ICICI Securities' Buy recommendation (target ₹739 vs current ₹755.95).

### 8.13 Trent

- Trent is expected to experience a downward movement despite Sharekhan's Buy recommendation, as the target price (₹4800) is below the current price (₹5382.0).
- Trent is expected to experience a downward movement despite Motilal Oswal's Buy recommendation, as the target price (₹4870) is below the current price (₹5382.0).
- Trent is expected to experience a downward movement despite ICICI Securities' Hold recommendation, as the target price (₹4200) is below the current price (₹5382.0).

### 8.14 Asian Paints

- If Sharekhan's Hold recommendation on Asian Paints (target ₹3490 vs current ₹2410.5) is considered, then Asian Paints is expected to see a moderate upward movement.
- If Prabhudas Lilladher's Hold recommendation on Asian Paints (target ₹3170 vs current ₹2410.5) is considered, then Asian Paints is expected to see a moderate upward movement.
- If Motilal Oswal's Neutral recommendation on Asian Paints (target ₹3340 vs current ₹2410.5) is considered, then Asian Paints is expected to see a moderate upward movement.
- If KRChoksey's Accumulate recommendation on Asian Paints (target ₹3475 vs current ₹2410.5) is considered, then Asian Paints is expected to see a moderate upward movement.

### 8.15 Adani Enterprises (Adani Ports)

- If Motilal Oswal's Buy recommendation on Adani Enterprises (Adani Ports) (target ₹1600 vs current ₹1456.7) holds, then Adani Enterprises (Adani Ports)'s stock is expected to experience an upward movement.

## 9. LIMITATIONS

Several limitations temper our conclusions:

- **Sample Scope:** The dataset covers only 15 Nifty 50 stocks (out of 50) and 59 usable recommendations. This is a small sample, possibly biased toward stocks of interest to the data provider. Our findings may not generalize to all Nifty stocks or to other time periods.
- **Time Frame:** Recommendations span Jan 2024–Jun 2025, a specific market phase. If this period was unusually bullish or sector-specific, results might differ in a bearish or sideways market. Longer-term or multi-year studies could yield different success rates.
- **Data Reliability:** We rely on the accuracy of the user-provided Excel. We assume all target, price, and classification entries are correct. Any errors in the file would affect results.
- **Analysis Style:** Our study is descriptive. We do not control for confounding variables (e.g. overall market moves, sector trends, broker conflict of interest, or company fundamentals). Causal conclusions cannot be drawn. For example, an "Under Performance" label might reflect general market weakness in that sector, not necessarily a bad recommendation.
- **Broker Diversity:** The dataset includes calls from a limited set of brokers. Results may differ with more full-service versus discount brokers, or if institutional research were considered. Also, some brokers' calls labeled "Accumulate/Hold" may not map neatly to Buy/Sell categories.
- Despite these limits, the study provides in-depth insight into this particular dataset and time period. We advise caution in extrapolating too broadly beyond the sample at hand.

## 10. CONCLUSION

This empirical study reveals that broker recommendations do influence stock performance to a certain extent, particularly in the short term, through their impact on investor sentiment and market perception. However, the relationship is not absolute. While a majority of recommendations from reputed brokers were optimistic (mostly “Buy” calls), many stocks failed to achieve the target prices within the expected 6- or 12-month periods. This suggests a prevailing optimism bias in broker research and highlights the need for investors to critically assess such recommendations rather than relying on them blindly.

The study also found that target achievement and outperformance varied across companies, sectors, and brokers, indicating that external factors like market volatility, corporate actions, and macroeconomic trends often influence actual stock returns more than the recommendation itself. Broker calls tend to have a stronger psychological effect in the short run, particularly when backed by credible firms and media amplification, but they don’t always translate into long-term investment success.

Therefore, investors should use broker recommendations as supportive insights—complementing their own research, risk appetite, and market understanding—rather than treating them as definitive investment directives. Additionally, the study emphasizes the importance of transparency, disclosure, and critical thinking in interpreting broker research.

Appendix

J	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
1	Today	Name of company	Sector	Broker	Call Type	Recommendation	Current Price	Price On Date	Difference Price	Target Price	Closing Price on Call Date	Closing Price After 6 Months	Closing Price After 12 Months	Nifty 50 on Current Date	Nifty 50 After 6 Months	Nifty 50 After 12 Months	Return (%) 6 Months	Return (%) 12 Months	Nifty Returns (%) 6 Months	Nifty Returns (%) 12 Months	Event	Target	Achieve Or Target	6 Months	12 Months
2	3	16-Jul-25 Kotak Bank	Financial Services	Sharekhan	Buy	20-Jan-24	1806.45	2179.40	372.95	2350	1806.80	1821.60	1920.50	21571.8	25212.05	24530.9	23944.75	0.83866346	6.13148178	2.77670204	3.99880595	Performance	Under	Target	Missed
4	16-Jul-25 Kotak Bank	Financial Services	Motilal Oswal	Neutral		21-Jan-24	1806.45	2179.40	372.95	2000	1806.80	1821.60	1893.30	21571.8	25212.05	24530.9	23944.75	0.83866346	4.80777215	2.77670204	9.50025299	Performance	Under	Target	Missed
5	16-Jul-25 Anah Bank	Financial Services	Prabhudas Lilladhe	Buy		21-Jan-24	1806.16	2179.10	372.94	2360	1806.80	1821.60	1893.30	21571.8	25212.05	24530.9	23944.75	0.83866346	4.80777215	2.77670204	9.50025299	Performance	Under	Target	Missed
6	16-Jul-25 Anah Bank	Financial Services	Emkay Global	Buy		24-Apr-24	1843.05	2179.40	336.35	1750	1842.80	1762.20	2223.00	22402.4	25212.05	24399.4	24361.7	-1.5875020	20.6152844	3.83061469	1.98336564	Performance	Under	Target	Missed
7	16-Jul-25 Kotak Bank	Financial Services	AnandRathi	Buy		06-May-24	1624.75	2179.40	554.65	1855	1624.30	1762.60	2074.00	22442.7	25212.05	24494.05	24679.4	4.84832211	17.6504078	2.97350429	2.15744898	Performance	Under	Target	Missed
8	16-Jul-25 TCS	IT	Emkay Global	Buy		16-Mar-24	4207.15	5233.10	-974.00	4750	4207.60	4922.60	5511.00	22146.65	25212.05	23566.5	22397.2	7.48794902	-16.5450463	4.5686764	13.5678956	Performance	Under	Target	Missed
9	16-Jul-25 TCS	IT	Emkay Global	Under		13-Apr-24	4000.30	5233.10	-787.2	3950	4001.40	4149.20	5233.50	22519.4	25212.05	24964.15	23828.55	3.72220083	-19.2183559	0.90261945	10.4028794	Performance	Under	Target	Missed
10	16-Jul-25 TCS	IT	Prabhudas Lilladhe	Accumulate		15-Apr-24	4000.30	5233.10	-787.2	1940	4001.40	4149.20	5233.50	22519.4	25212.05	24964.15	23828.55	3.91819134	-18.2183559	0.91487707	10.4102974	Performance	Under	Target	Missed
11	16-Jul-25 TCS	IT	Motilal Oswal	Buy		15-Apr-24	3941.65	5233.10	-126.45	4160	3941.20	4116.80	3248.20	22272.5	25212.05	23057.35	23318.55	4.44337059	-17.9528886	0.61738372	8.07797979	Performance	Under	Target	Missed
12	16-Jul-25 TCS	IT	KRChoksey	Accumulate		16-Apr-24	3873.35	5240.00	-136.65	4284	3873.30	4094.95	5273.80	22147.9	25212.05	24971.3	23472.5	5.74881817	-11.455981	0.96450579	7.57279027	Performance	Under	Target	Missed
13	16-Jul-25 TCS	IT	Prabhudas Lilladhe	Accumulate		13-Mar-24	4224.40	422.80	0.4	533	398.75	485.00	412.00	21997.7	25212.05	23566.5	22397.2	14.88139219	-2.4502841	4.5686764	12.5678956	Performance	Under	Target	Missed
14	16-Jul-25 TCS	IT	Prabhudas Lilladhe	Accumulate		23-May-24	441.10	422.80	-18.4	491	416.40	448.00	436.50	22867.65	25212.05	23907.75	24853.15	1.55253866	-1.1108674	4.5775683	1.44408256	Performance	Under	Target	Missed
15	16-Jul-25 TCS	IT	Motilal Oswal	Buy		24-May-24	426.10	422.80	-1.25	515	411.45	445.00	442.90	22997.1	25212.05	23907.75	24853.15	2.7403972	1.592754	4.5775683	1.44408256	Performance	Under	Target	Missed
16	16-Jul-25 TCS	IT	KRChoksey	Buy		30-May-24	438.00	422.80	-1.20	517	400.10	450.00	438.00	22488.65	25212.05	24311.1	24750.7	6.11858137	-1.4348275	4.4798982	1.86898789	Performance	Under	Target	Missed
17	16-Jul-25 TCS	IT	FMCG	Buy		31-Jan-24	10183.30	12460.00	2276.7	12200	10186.90	13115.80	12310.65	21725.7	25212.05	24951.15	23508.4	28.7971483	20.8905737	1.0564319	7.24894006	Performance	Under	Target	Missed
18	16-Jul-25 TCS	IT	Sharekhan	Buy		31-Jan-24	10183.30	12460.00	2276.7	12257	10186.90	13115.80	12310.65	21725.7	25212.05	24951.15	23508.4	28.7971483	20.8905737	1.0564319	7.24894006	Performance	Under	Target	Missed
19	16-Jul-25 TCS	IT	Motilal Oswal	Buy		31-Jan-24	10183.30	12460.00	2276.7	11850	10186.90	13115.80	12310.65	21725.7	25212.05	24951.15	23508.4	28.7971483	20.8905737	1.0564319	7.24894006	Performance	Under	Target	Missed
20	16-Jul-25 TCS	IT	Emkay Global	Buy		16-Feb-24	11967.65	12460.00	500.35	12300	11972.30	12218.30	12840.25	22040.7	25212.05	24951.15	23508.4	7.45809251	11.5458017	2.73977572	9.95842425	Performance	Under	Target	Missed
21	16-Jul-25 TCS	IT	KRChoksey	Buy		08-Apr-24	12849.15	12460.00	-389.15	14975	12865.10	12351.95	11468.90	22666.3	25212.05	25011.5	22355.65	-8.8995167	-10.6192170	0.79518210	11.87530009	Performance	Under	Target	Missed
22	16-Jul-25 ONGC	Oil, Gas & Consumable fuels	Prabhudas Lilladhe	Hold		21-May-24	239.05	243.13	4.08	265	280.10	242.15	248.88	22529.05	25212.05	23549.9	24813.45	1.29679983	4.02844593	3.97498062	6.60638868	Performance	Under	Target	Missed
23	16-Jul-25 ONGC	Oil, Gas & Consumable fuels	Motilal Oswal	Buy		21-May-24	279.95	243.13	-36.82	540	280.10	242.15	248.88	22529.05	25212.05	23549.9	24813.45	-11.5024111	-11.1688432	3.97498062	6.60638868	Performance	Under	Target	Missed
24	16-Jul-25 ONGC	Oil, Gas & Consumable fuels	ICICI Securities	Buy		22-May-24	278.00	243.13	-34.87	340	278.00	245.60	241.67	22579.8	25212.05	23907.75	24609.7	-11.6546796	-11.0683495	4.5775683	2.64212122	Performance	Under	Target	Missed
25	16-Jul-25 ONGC	Oil, Gas & Consumable fuels	Geojit Financial Services	Buy		13-Jun-24	276.55	243.13	-33.42	327	276.55	254.25	251.50	23988.9	25212.05	24768.3	24718.6	-0.6806413	-0.0580365	1.79340439	1.99627002	Performance	Under	Target	Missed
26	16-Jul-25 Sun Pharma	HealthCare	Motilal Oswal	Buy		31-Jan-24	1438.30	1708.40	269.9	1635	1438.45	1719.35	1749.55	21725.7	25212.05	24951.15	23508.4	21.2090236	22.9432499	1.04564319	7.24894006	Performance	Under	Target	Missed
27	16-Jul-25 Sun Pharma	HealthCare	Prabhudas Lilladhe	Buy		01-Feb-24	1406.55	1708.40	301.85	1660	1407.95	1715.20	1742.20	21897.45	25212.05	25010.9	23482.15	21.9437831	23.8835336	1.80429359	3.56872722	Performance	Under	Target	Missed
28	16-Jul-25 Sun Pharma	HealthCare	Sharekhan	Buy		19-Feb-24	1592.40	1708.40	-116.00	1176	1593.60	1845.70	1655.30	22332.65	25212.05	24918.45	22497.9	15.9068073	3.95001256	1.17824343	12.0450148	Performance	Under	Target	Missed
29	16-Jul-25 Sun Pharma	HealthCare	Financial Services	Buy		19-Mar-24	1551.15	1708.40	157.25	1325	1548.45	1846.05	1732.35	22817.45	25212.05	24545.8	22907.6	19.1017011	11.6816555	-0.8051667	10.0597618	Performance	Under	Target	Missed
30	16-Jul-25 Sun Pharma	HealthCare	KRChoksey	Buy		23-May-24	1494.95	1708.40	213.45	1827	1495.10	1795.00	1680.60	22967.65	25212.05	23907.75	24853.15	20.0909739	12.6193511	4.5775683	1.44408256	Performance	Under	Target	Missed
31	16-Jul-25 Larsen & Toubro	Construction	Motilal Oswal	Buy		30-Jan-24	3633.40	3503.80	-129.6	4200	3633.30	3784.65	3420.95	21522.1	25212.05	24837.3	23249.5	4.16276766	-8.8474704	1.42714613	8.44125648	Performance	Under	Target	Missed
32	16-Jul-25 Larsen & Toubro	Construction	Sharekhan	Buy		30-Jan-24	3633.40	3503.80	-129.6	4200	3633.30	3784.65	3420.95	21522.1	25212.05	24837.3	23249.5	4.16276766	-8.8474704	1.42714613	8.44125648	Performance	Under	Target	Missed
33	16-Jul-25 Larsen & Toubro	Construction	Prabhudas Lilladhe	Buy		31-Jan-24	3480.15	3503.80	-23.65	4071	3479.75	3815.00	3567.40	21725.7	25212.05	24918.45	23508.4	9.43171171	3.0079084	1.04564319	2.49488049	Performance	Under	Target	Missed
34	16-Jul-25 Larsen & Toubro	Construction	Geojit Financial Services	Buy		15-May-24	3410.15	3503.80	93.65	3806	3411.30	3726.25	3618.20	22205.95	25212.05	23512.7	23662.1	3.40545212	-1.0209649	1.73842021	0.59831379	Performance	Under	Target	Missed
35	16-Jul-25 UltraTech Cement Cement & Cement Products	Sharekhan	Buy		19-Jan-24	10094.50	12453.00	2358.5	11300	10099.70	11258.30	10580.00	21822.4	25212.05	24530.9	22020.2	11.5269505	4.80954975	2.77870204	6.63764205	Performance	Under	Target	Missed	
36	16-Jul-25 UltraTech Cement Cement & Cement Products	Motilal Oswal	Buy		19-Jan-24	10094.50	12453.00	2358.5	12000	10099.70	11258.30	10580.00	21822.4	25212.05	24530.9	22020.2	11.5269505	4.80954975	2.77870204	6.63764205	Performance	Under	Target	Missed	
37	16-Jul-25 UltraTech Cement Cement & Cement Products	Emkay Global	Buy		19-Jan-24	10094.50	12453.00	2358.5	11200	10099.70	11258.30	10580.00	21822.4	25212.05	24530.9	22020.2	11.5269505	4.80954975	2.77870204	6.63764205	Performance	Under	Target	Missed	
38	16-Jul-25 UltraTech Cement Cement & Cement Products	Prabhudas Lilladhe	Buy		30-Apr-24	9968.76	12453.00	2486.24	11608	9971.85	11205.10	11641.00	23604.65	25212.05	24951.15	23405.8	24342.1	12.2427233	18.7982580	1.5793853	6.60742425	Performance	Under	Target	Missed
39	16-Jul-25 UltraTech Cement Cement & Cement Products	Geojit Financial Services	Buy		24-May-24	10226.55	12453.00	2226.45	10970	10231.10	11375.30	11746.90	22957.1	25212.05	23907.75	24653.15	11.233016	14.8378944	4.5775683	1.44408256	Performance	Under	Target	Missed	
40	16-Jul-25 JSW Steel	Metals	Sharekhan	Sell		25-Jan-24	816.45	1029.80	213.35	718	815.70	874.50	932.45	21915.2	25212.05	24601.1	23092.2	11.600466	14.2078511	8.0224831	1.9793955	Performance	Under	Target	Missed
41	16-Jul-25 JSW Steel	Metals	Prabhudas Lilladhe	Buy		26-Jan-24	816.45	1029.80	213.35	95															

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